

Florida Department of Transportation Monthly Performance Review Meeting January 16, 2014

1. Acknowledgement of Visitors: James Jobe introduced Dr. Jack May and Secretary Prasad introduced Harry Bass, the new Director of Transportation Support.
2. Review of Minutes: There were no changes to the November minutes.
3. Monthly Reports:

Performance Report – Freddie Simmons

This is a summary of the Performance Report for Program activities through January for FY 2014. This completes half of the FY, so additional data is presented showing completed and remainder of the various programs.

CONSULTANT ACQUISITION:

- Executed 107% of the plan in dollars at \$335M plus added or advanced for a \$369M total to date.
- Executed 109% of the plan in numbers at 533 plus added or advanced for a 646 total to date.
- These 15 projects @ \$9.8M have not been executed to date.
- 48% of program remains in \$ and 38% in #.

RIGHT-OF-WAY:

CERTIFICATIONS:

- Certified 108% of the plan plus 13 extras for 41 total.
- 54% of certifications remain.

PROGRAM EXPENDITURES:

- Acquired 84% of the dollar value of parcel acquisitions for \$150M.
- Two districts are below target with D6 and D7 in the red.
- 67% of expenditures remain.

ACQUISITIONS:

- Completed 124% of the YTD number plus 131 extras for 685 total.
- 51% of parcel acquisitions remain.

METHOD OF ACQUISITIONS:

- Statewide negotiation rates are at 69% with the 70% target.

EMINENT DOMAIN/PARCEL INVENTORY:

- Began the year July 1, 2013 with 287 parcels in the inventory and now at 404.

EXCESS PROPERTY SUMMARY REPORT:

- \$2.6M in sales and \$3.9M in lease revenue for the year.

PRODUCTION ISSUES:

ADVANCED PRODUCTION (APP) as of Jan 13, 2014:

DIST	2014	2015	2016	2017	2018
1 Total	6.5	62.0	144.9	368.2	134.0
2 Total	31.2	254.3	188.2	110.3	21.0
3 Total	5.2	42.7	52.7	95.9	77.8
4 Total	15.2	93.6	66.1	0.0	28.0
5 Total	0.5	95.3	152.9	290.6	50.2
6 Total	0.0	5.7	219.8	153.4	266.1
7 Total	79.5	70.1	152.0	70.1	179.8
8 Total	17.8	185.6	180.1	179.6	5.0
Grand Total	155.9	809.2	1156.7	1268.1	761.8

AMENDMENTS for FY 2013:

- We had a total of \$297.3M in 90 amendments through November 30, 2013. This includes 122 phase actions.

REVISIONS AND ADDENDUMS: (Same as October since no November lettings in CO)

- There were 109 Contract Class 1 lettings in Central Office

Addenda	106
Addenda 15 days	37
Revisions	103
Mandatory	74

CONTRACT LETTINGS:

- Let to contract 87% of the dollar plan at \$1.009M plus added or advanced for a \$1,020M total to date.
- Let to contract 94% of the adopted number for 198 plus added or advanced for a 209 total to date.
- 13 projects have not been let as planned to date for about \$52.3M. 9 of these are requiring a re-bid.
- Remaining projects > \$10M are shown (29 @ \$932M).
- 64% of \$ and 58% of # remain to be let in last 6 months.

BID ANALYSIS:

- The adopted estimate of the 209 projects let to date was \$1,130.3M with the low bid of \$1,020.1M for \$110.2M in savings or 9.7%.
- Last FY through December, we were at \$93.6M in savings at 11.8%.
- The difference between official estimate and low bid was 8.8%.
- Bids for this fiscal year are shown with high or low bids highlighted.

- 51% lettings have been below adopted, 31% above, and 18% same.

CONSTRUCTION:

- YTD at 3.9% cost increase with target of $\leq 10\%$ on 147 active contracts.
- YTD at 8.0% time increase with target of $\leq 20\%$ on 147 active contracts.
- YTD with 89.1% of the contracts having final contract costs less than 110% of original, with a target of $\geq 90\%$ (contract status 6, 7 or 8).
- YTD with 83.0% of the contracts having final contract times less than 120% of original, with a target of $\geq 80\%$ (contract status 6, 7 or 8).
- Projects not meeting cost and time measures are listed.

VALUE ENGINEERING:

VALUE ENGINEERING (VE) PROGRAMS

- Statewide 10 VE Study to date.
- \$304.7 M in Cost Avoidance/Savings recommendations with \$63.6 M approved.
- \$12.6 M in Value Added recommendations with \$4.9 M approved.
- 113 recommendations with 54 approved or 48% with a target of $> 40\%$.
- 2.43% projects saved and 5.81% program saved.

Kurt Lieblong gave the following report:

Since the last report in December 2013, there were 5 VE studies conducted and 14 Value Engineering recommendations approved worth \$27.25 million in project cost avoidance. There was also one Cost Savings Initiative proposal approved totaling \$30,000 in project savings.

Through December 2013, there were 10 Value Engineering Studies conducted statewide. The Department has approved 54 of 113 (48%) Value Engineering recommendations worth \$63.58 million in project cost avoidance and \$4.93 million in value added. This resulted in a 2.43% project savings and a 5.81% program savings. During this same period, 14 Cost Savings Initiative proposals were approved worth \$4.41 million in project savings. This resulted in a 1.19% project savings and a 0.40% program savings.

At the request of Secretary Prasad in the November Performance Meeting, additional measures were added to the report. The VE Cost Avoidance and the CSI Savings were combined for a total savings and the % Program Saved for VE & CSI were combined for a total % Program Saved with the initial target set at 2%. Through December 2013, the combined total savings is \$67.99 million and the combined program saved is 6.21%.

COST SAVINGS INITIATIVE (CSI) PROGRAM

- 17 CSI acted upon with 14 approved.
- \$4.6 M acted upon with \$4.4 M approved.
- 1.19% projects saved and 0.40% program saved.

TOTAL PROGRAM SAVINGS VE AND CSI COMBINED

- \$68.0 M in total savings and 6.21% in total program saved

CONTRACT MAINTENANCE:

- \$ Contracted statewide 112% of plan - \$317M or \$32M above plan.
- # Contracted statewide 126% of plan - 981 or 201 above plan.
- 21% in \$ and 13% in # remaining.

FREIGHT, LOGISTICS, AND PASSENGER OPERATIONS (FLP) and FLORIDA RAIL ENTERPRISE (FRE):

- FLP YTD at 141% of plan - \$546 M or \$160 M above plan - 18% of plan remaining.
- FRE YTD at 253% of plan - \$62M or \$38M above plan - 80% of plan remaining. (D5 has \$50M in March and \$192M in June.)

LAP PROGRAM:

CONSULTANT LAP ACQUISITIONS

- Executed 109% dollars and 105% number to date.
- 64% in \$ and 46% in # remaining.

CONTRACT LAP LETTINGS

- Let YTD 115% of dollars and 125% of number to date.
- 87% in \$ and 57% in # remaining.
- D4 has \$83M project in June – Crosstown Parkway – This is 43% if total LAP Lets for 2014.

FEDERAL AID:

- Total OA available for this FED FY 13/14 is \$1,805,808,000
- Total Obligation through Dec 31, 2013 for FED FY 13/14 = \$212,850,000
- Unexpended balance is at 0.60% with target of < 2.00%.
- With new method of calculation: Unexpended balance is at 0.79% with target of < 2.00%.

James Jobe gave the following report:

Federal Legislation:

The Continuing Resolution we've been operating under since October expired yesterday and Congress ran out of time to enact the full year appropriation for the USDOT and many other agencies before it expired. To give themselves a bit more time, they passed another Continuing Resolution for just three days which expires this coming Saturday. This should give both the House and Senate the time needed to pass the omnibus appropriations bill providing funding for the remainder of federal fiscal year 2014.

There seems to be no dispute between the House and Senate regarding the amount of funds and obligation authority for the federal highway program for FY2014. Included in the omnibus bill are the levels recommended in the MAP-21 surface transportation legislation enacted back in 2012;

so there should be no change to the federal funding levels already included in the work program for the remainder of fiscal 2014.

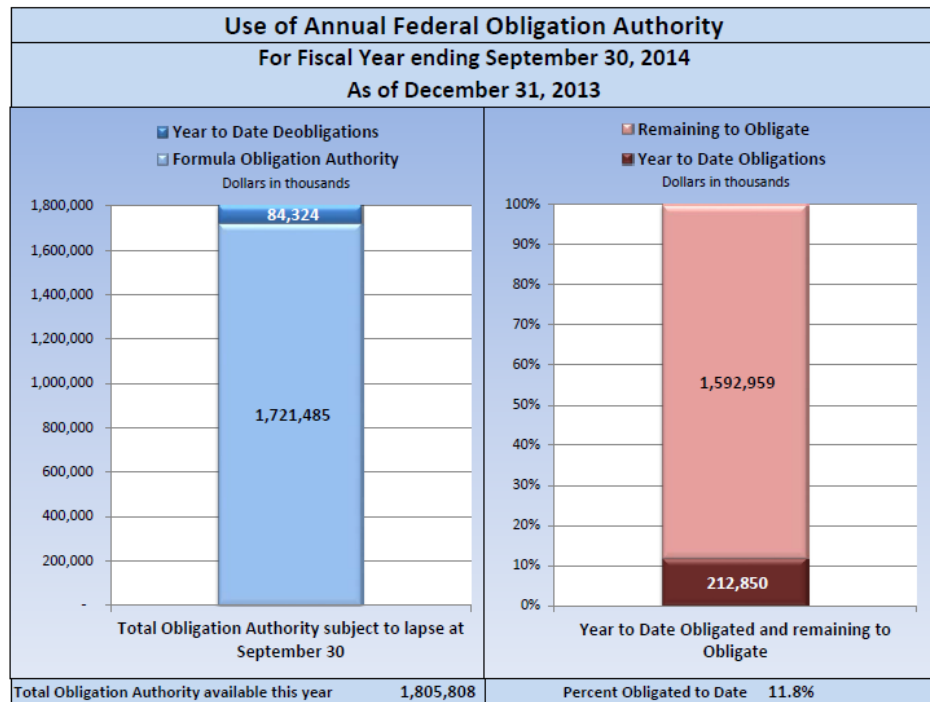
The omnibus bill also continues to fund the TIGER grant program with another \$600 million for fiscal 2014, but the Senate proposal for a \$500 million general fund discretionary program for a new bridge program was dropped in the final version of the bill.

A final note about the precarious status of the Federal Highway Trust Fund. In some prior budget cycles, the Appropriations Committees have taken it upon themselves to adjust spending levels to prevent the Highway Trust Fund from running out of money before the end of the fiscal year, but not this time.

The USDOT's latest estimates show the Highway Account of the Trust Fund running out of cash on a day-to-day basis before the end of the fiscal year (early September), but this time the appropriators are leaving it to the authorizing and tax-writing committees to enact a solution into law to prevent another Trust Fund default before that time.

Obligation Authority Plan:

At the end of last month, we had total obligations of almost \$213 million, which represents about 12% of our total OA for the year, which includes about \$84 million in year-to-date deobligations that must be reobligated before year end.



Financially Inactive Federal Aid Projects:

This month I included two charts on financially inactive federal aid projects to illustrate that, once again, we've had a change in the rules for this measurement.

After the change to this metric FHWA made about a year ago, we've been operating under a Tier structure where Tier 1 projects were considered financially inactive after 12 months of no

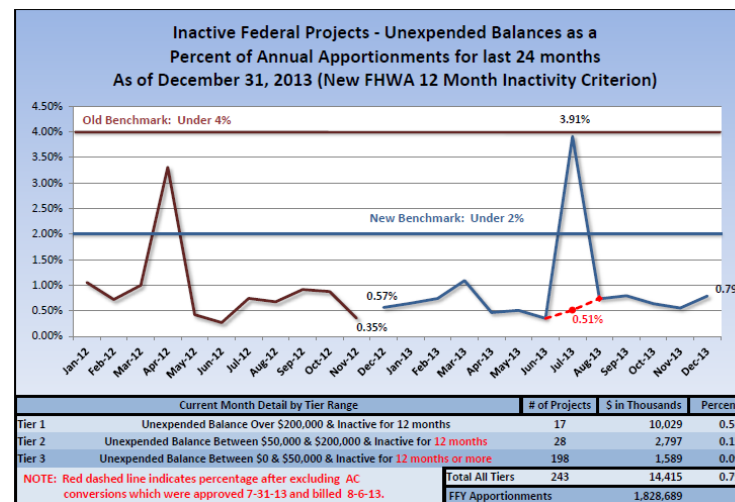
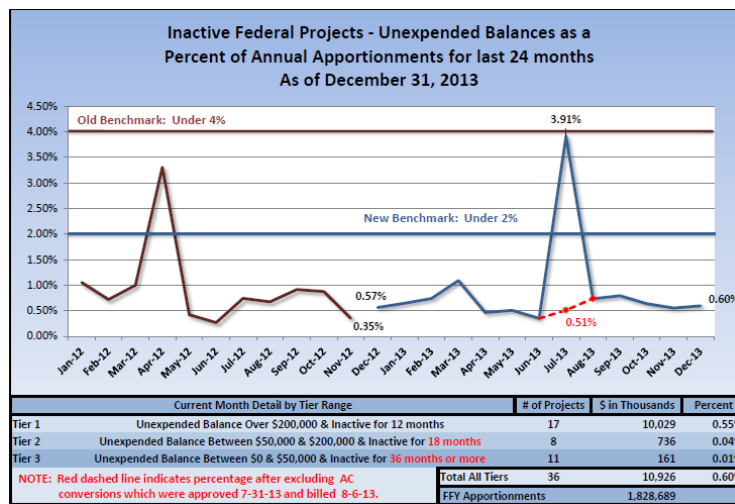
expenditures, Tier 2 after 18 months and Tier 3 (those with the lowest levels of authorized but unexpended funds) after 36 months.

All this has now changed again. FHWA has done away with the Tier structure and now considers a project to be financially inactive after 12 months of no expenditures, regardless of how much unexpended federal funds remain on the project.

This change in measuring and reporting seems to be moving away from a risk based approach, and will require significantly more effort at the district level to track down and report on many more projects. It doesn't matter whether there's \$100,000 or just \$1 of unexpended federal funds remaining on the project. The level of effort to track, report and follow up at the district level will be the same for every project on the list, regardless of how much federal funds can be recovered upon deobligation.

Under the previous tiered approach there were 36 projects at the end of last month which were considered financially inactive. Under the new approach, there are 243 projects which will now need to be individually monitored and the specific reasons and justifications for the financial inactivity of each project be reported to and evaluated by FHWA.

Nevertheless, we still continue to be well under the 2% benchmark with an overall inactive rate of .79 percent of our annual federal apportionments.



TRANSPORTATION COMMISSION MEASURES:

- Two measures were not met.
- The number of construction contracts actually executed compared against the number planned @ 94.3% with target of $\geq 95\%$.
- For all construction contracts completed during the year, the percentage of those contracts that were completed at a cost within 10% above the original contract amount @ 89.1% with target of $\geq 90\%$.

GOVERNOR’S PERFORMANCE REPORT MEASURES:

FLORIDA DEPARTMENT OF TRANSPORTATION KEY PERFORMANCE STANDARDS FOR FY 2014 (THROUGH DECEMBER 31, 2013)					
PERFORMANCE MEASURES	DESCRIPTION OF STANDARD	DESIRED PERFORMANCE OR STANDARD		ACTUAL PERFORMANCE FISCAL YEAR TO DATE	
CONSTRUCTION CONTRACT LETTINGS	Monthly the Department tracks projects let to contract compared to the July 1 Adopted Plan for the current fiscal year. These are for Highway and Bridge Programs only, which includes Resurfacing, Bridges, Roadway, Safety, and Traffic Operations. The desired standard is to let to contract 95% or more of the planned projects for both number and dollar amount.	Lettings		Lettings	
		Number	Amount	Number	Amount
		$\geq 95\%$	$\geq 95\%$	94% 210 Plan 198 Performance 209 Production	87% Plan \$1,167 M Performance \$1,009 M Production \$1,020 M
CONSTRUCTION CONTRACT COST AND TIME ADJUSTMENTS	When projects reach a status of being conditionally, materially, and finally accepted (status 6, 7 or 8), the time and cost changes are determined. The desired standard is for contracts to be completed within 10% of the original contract amount and within 20% of the original contract time.	Cost	Time	Cost	Time
		< 10% Increase	< 20% Increase	3.9%	8.0%
		Acquisitions		Acquisitions	
CONSULTANT PROJECT ACQUISITIONS	These represent the number and dollar amounts of projects included in consultant contracts secured for the performance of preliminary engineering (PE), right-of-way (R/W), or construction engineering & inspection (CEI) services for the Department. They are compared to the July 1 Adopted Plan for the current fiscal year. The desired standard is to execute to contract 95% or more of those planned number and dollar amount.	Number	Amount	Number	Amount
		$\geq 95\%$	$\geq 95\%$	109% 489 Plan 533 Performance 646 Production	107% Plan \$313M Performance \$335 M Production \$369 M
		Contracts		Contracts	
HIGHWAY MAINTENANCE PROGRAM EXPENDITURES	Highway maintenance contracts are compared to the July 1 Adopted Plan for the current fiscal year and are tracked monthly. The desired standard is to execute to contract 90% or more of the planned number and dollar amount.	Number	Amount	Number	Amount
		$\geq 90\%$	$\geq 90\%$	126% 780 Plan 981 Performance	112% Plan \$285 M Performance \$317 M
		Amount of Contracts		Amount of Contracts	
FREIGHT LOGISTICS AND PASSENGER OPERATIONS PROGRAM EXPENDITURES	Monthly the Department tracks freight, logistics and passenger operations contracts compared to the July 1 Adopted Plan for the current fiscal year. The desired standard is to execute to contract 90% or more of the planned amount.	$\geq 90\%$		141% Plan \$386 M Performance \$546 M	

MEASURES SUMMARY:

- No one met or exceeded all measure targets.

Safety Performance Report – Benjamin Jacobs

The quarterly SHSP Performance Report was presented by Benjamin Jacobs on behalf of the State Safety Office. The presentation showed average fatalities and incapacitating (“serious”) injuries in SHSP emphasis area crashes per District and statewide for the second calendar quarter ending with April through June of 2013. There was a correction noted for an error in the originally posted presentation. The correction was in the 2009-2013 statewide average fatalities and serious injuries for each presented area, showing a reduction from the originally published numbers in each case, except for Bicyclists and Aggressive Driving. The Bicyclists statewide average increased from 216 to 225 and the Aggressive Driving number did not change.

Salary Projections and Operating Budget – Pam Kuester

The Fiscal Year 2013/14 (FY14) Budget Review was presented to the attendees. Select Operating Budget categories (OPS, Expenses, OCO, Acquisition of Motor Vehicles, Consultant Fees, Contracted Services, FHP Services, HRD, OT, TME and Lease Purchase of Equipment) were featured which indicated (as of 12/31/13) a 67.5% overall commitment level of the selected categories. Potential Roll Forward by District (as of 12/31/13) was also presented which reflected an overall 49.6% level of commitment of Work Program Budget. Fixed Capital Outlay – Buildings & Grounds (FCO) Budget data was included in the presentation which provided information for FY13 as well as FY14. Additional slides featured the select Operating Budget categories mentioned above by District/Unit, as well as Salaries & Benefits Budget data. As of 12/31/13, there was a 42.6% overall commitment of Salaries & Benefits budget (which shows a potential reversion of approximately \$31 million).

FCO budget was highlighted during the presentation. We are currently in the process of closing out Fiscal Year 2012/13 (FY13), and there is a push to commit the remaining balances.

Personnel Reports – Irene Cabral

Ms. Cabral gave an update on personnel issues and the vacancy report.

Economic Parity – Art Wright

In the December Economic Parity report for Females, the Department had 1 opportunity in the Officials and Administrators category, but was not able to hire a Hispanic female. In the Professionals category, we had 23 opportunities and hired 2 Hispanic Females. We had 4 opportunities in the Office/Clerical category and were able to hire 1 Hispanic female. We also had 2 opportunities in Skilled Craft, but were not able to hire a Hispanic female.

In the report for males, the Department hired 6 Hispanic Males in the Professionals category and 1 Hispanic male in the Technicians category.

The report shows the breakdown by district where you can see that Districts 4, 6, the Turnpike and the Central Office were able to help the Department in our efforts to achieve economic parity among the EEO job categories.

Disadvantaged Business Enterprise (DBE) Report – Art Wright

This is the final DBE report for the 2012-2013 federal fiscal year. As you can see, the Department far exceeded our 8.6% DBE goal and achieved 11.78% DBE participation on federally funded contracts. This is the highest percentage we have ever achieved on federally funded contracts exceeding the previous high of 10.31% the previous year. This also marks the tenth time that our race neutral goal has been achieved in the last 13 years.

The report shows the district breakdown on federally funded contracts. On state funded contracts, the Department achieved 10.88% DBE participation. On federal and state funds combined, the Department achieved 11.38%.

The report also shows the DBE participation for the first 3 months of the new federal fiscal year. This is the third and last year of the 8.6% DBE goal. We will be recalculating the goal for the 2014-15 federal fiscal year. For this year, we are starting out at a slower rate than last year, but we are still above the 8.6% goal and have achieved 9.5% DBE participation on federally funded contracts. The report shows the 9.5% breakdown by district and type of work. The high percentages shown in some of the districts is a result of the small number of contracts reported in the first 3 months, but added DBE participation on contracts that were reported last federal fiscal

year. The report also shows that our state funded contracts are at 9.51%, about the same as the federally funded contracts. The federal and state funds combined shows 9.5% DBE participation.

Minority Business Enterprise (MBE) Report – Art Wright

In the Minority Business Enterprise Report, the Department is half way through the state fiscal year and has expended 57.2% of the dollars spent last year to certified MBEs. We continue to move on a very good steady pace to achieve the MBE goal again this year.

Business Development Initiative – Art Wright

This is the second Business Development Initiative report where we are tracking the efforts to reserve 10% of our contracts for small businesses. The first chart shows the numbers that are projected for the fiscal year. For construction and maintenance contracts, 9.98% is projected to be reserved for small businesses. For Professional Services contracts, 10.80% is projected to be reserved.

The chart shows the actual percentage of executed contracts that has been reserved for small businesses during the first 6 months of the fiscal year. For construction and maintenance contracts, 5.79% of the contracts have been reserved and 7.63% of the professional services contracts have been reserved for small businesses.

4. Additional Comments

At the beginning of the meeting, Secretary Prasad wished everyone a Happy New Year and thanked all for their hard work the past year. He said the Governor announced his record high budget for Florida. We have exciting projects this year including the I-595 project, the Miami Tunnel, and SunRail. We are doing projects with P3's – other states are looking at us as leaders. The Secretary also reminded districts to have projects on the shelf and ready. We are hopeful to get additional funding and want to be ready. Staff should focus on our successes when we are talking to people.

The meeting adjourned at 9:55 a.m.